

STATE OF MAINE
MAINE REVENUE SERVICES
PROPERTY TAX DIVISION
P. O. BOX 9106
AUGUTA, MAINE
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SUBJECT: INFORMATION ON PROPERTY TAX BILLS

Title 36 M.R.S.A., section 507 requires that, "When a municipality issues a property tax bill to each taxpayer, each bill must contain a statement or calculation that demonstrates the amount or percentage by which the taxpayer's tax has been reduced by the distribution of state-municipal revenue sharing, state reimbursement for the Maine resident homestead property tax exemption and state aid for education."

Municipalities may satisfy this statutory requirement by issuing property tax bills which include a statement similar to:

**AS A RESULT OF THE MONEY OUR MUNICIPALITY RECEIVES FROM THE
STATE LEGISLATURE THROUGH THE STATE MUNICIPAL REVENUE
SHARING PROGRAM, HOMESTEAD EXEMPTION REIMBURSEMENT AND
STATE AID TO EDUCATION, YOUR PROPERTY TAX BILL HAS ALREADY
BEEN REDUCED BY _____ %**

The percentage is determined by dividing the total amount of state aid dollars received (Revenue Sharing, Homestead Exemption Reimbursement and Education Subsidy) by the total commitment *plus* the total amount of state aid dollars received. The process is illustrated by the calculation sequence and the supporting example on the reverse side (using this method the percentage is calculated by dividing line (4) by line (6) and multiplying that result by 100; the answer is 33.3%).

EXAMPLE

Homestead Reimb. (1) _____
Revenue Sharing (2) _____
Education Subsidy (3) _____
(1) + (2) + (3) = (4) _____
Tax Commitment (5) _____
(4) + (5) = (6) _____
(4) ÷ (6) = 0. _____

Convert decimal to percentage

x 100 = %

Homestead Reimb. (1) 75,000
Revenue Sharing (2) 100,000
Education Subsidy (3) 200,000
(1) + (2) + (3) = (4) 375,000
Tax Commitment (5) 750,000
(4) + (5) = (6) 1,125,000
(4) ÷ (6) = 0. 3333

Convert decimal to percentage

x 100 = 33.3%

This is the reduction

Otherwise, some municipalities have chosen another way to satisfy the intent of the law which is by using the following statement:

**Without State Aid for Education, Homestead Exemption
Reimbursement and State Revenue Sharing, your tax bill would
have been _____% higher.**

Using this method and information in the example illustrated above, the percentage is calculated by dividing line (4) by line (5) and multiplying that result by 100. In the example, the answer is 50.0%.

The decision of which statement to use is at the discretion of each individual municipality.

Each bill issued must clearly state the date interest will begin to accrue on delinquent taxes. Please note that the maximum rate that may be charged for 2006 tax assessments is 11.00% simple interest.

For current estimates on Revenue Sharing you may call Treasury at 624-7477 or for Education Subsidy the phone number would be 624-6790. For all other information please write or call:

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